

The DRMS Reutilization Advisory



Welcome to *the Advisory*. If this your first visit, we hope you like what you see and will find the information provided timely, useful and helpful.

Have Reutilization questions or confusions?

Need answers to a puzzling or bothersome "Reut" issue? Let us know. We'll put you in touch with someone who can help.

Please don't be shy about submitting your ideas, too. We love hearing from you. Reach us at:
rtd@drms.dla.mil.

We Get Letters ...

and phone calls, and email, etc.

No matter how long you've worked in this field, there's always more to know. Customers are good at coming up with simple, "everyone-knows-that" type of questions, only to find sometimes "everyone" *doesn't*.

If you're sure you know "all that stuff" however, you can just skip this part.

Just FYI (or your customer's) Frequently asked questions about the DRMS Reutilization Program include:

What is Excess Property?

Excess property is every kind of personal property purchased for use by the Government, from tools to file cabinets, office furniture, motor vehicles, etc. When these items are no longer needed by an agency, they're determined to be

"excess" and are turned in to the nearest DRMO.

What Does This Mean to Me?

This means that as annual budgets come under ever closer scrutiny, you may find yourself running into problems trying to fill your supply needs.

The economics achieved through Reutilization, then, become increasingly more attractive.

DRMS is committed to providing you with superior disposal support and to doing our part in helping you squeeze *the very most* out of scarce resources.

It pays to use DRMS as a First Source of Supply and Sole Source for disposal solutions.

What is the Screening Process?

Front End Screening (FES) is the process where item managers of specific NSNs, condition codes and dollar amounts are notified when an excess item meeting their established criteria has been turned-in to a DRMO.

Note: Although DoD item managers still receive a FES notice, they no longer have an issue priority over other Federal agencies.

The only exception is a DoD requisition with a priority of 3 or better.

All R/T/D customers screen within a 42 day formal screening window once property is closed in an

accumulation (normally 2-4 weeks).

The first 21 days of the formal screening process are established for DoD and other Federal agencies and the remaining 21 days are for donees.

DoD and other Federal agencies, however, can screen and requisition property *during the accumulation period* as well as during formal screening.

Questions? Contact us. We can help.

What's the "Skinny" on Business Units?

There's been a lot of talk across DRMS about business units, but not a lot of understanding as to what it might mean to the average employee.

Background:

For the first time the Reutilization Program is operating as an ***independent business unit***.

In the past, the program was one small "cog" in a very large wheel and was funded and directed by some ***other*** organizational entity, one possibly even unknown to Reutilization personnel themselves.

Program guidance and direction came down from "on high," and was simply followed. Success or failure could be very easily (and usually was) blamed on the generic "management" or the more mysterious "them."

In a totally radical move, DRMS realigned itself into independently operating units, more closely resembling the structure of a business operating in the private sector.

Still a part of the larger organization, yet no longer under the exclusive direction and protection of a "big brother" in the next step up in the hierarchy.

For the first time, the program has to "make it" or "break it" on its own merit.

Obviously, some "Reut" business practices will look very different, while others remain "as is."

DRMS Continues to Carry the Following:

- command-wide R/T/D program management
- oversight of DoD automated R/T/D screening systems
- development of operational programs & resolution of related problems
- management of specialized reut programs, such as HAP, LESO, FMS, etc.
- support to customers in locating and requisitioning DRMS assets worldwide through R/T/D electronic screening and ordering

What's Different?

For one thing, we have to know precisely ***how much it costs us to run our business and what our potential earnings might be*** "coming in the door."

The only way to know this is to capture our *true costs* through Activity Based Costing (ABC Costing).



I Don't Work In Accounting; Why Do I Need to Know All This?

When we record our time using the Subsidiary Cost Codes assigned for the exact work activity we're doing, it tracks the amount of **time actually being spent** on that particular function.

Since financial decisions based on your input are used to determine which areas need reengineering or possible privatization, it's information that directly affects every one of us and how we'll be doing our job in the future.

Such weighty information makes it critical that what we labor at every day is accounted for and recorded accurately.

Unsure if you're reporting your time correctly? Check it out in the ABC Dictionary. Still fuzzy?

Contact POCs:

Mary Jo Bundy

DSN 932-7206

s9d3289@drms.dla.mil

Verna Hoke

DSN 932- 5797

s9d3507@drms.dla.mil

Bottom Line: accurately reporting our time and activities documents their importance to the program and to DRMS.

What Else is Different?

A new business structure calls for a complete shift in thinking about how we do business.

As an independent business, each one of us supplies a vital link in the success of the Reutilization Program.

In order to survive, and thrive, says Reut Chief Sherry Low, *"we have to actively look for ways to cut the costs of our part of the business; and to do that we have to be very knowledgeable about the program and know exactly what it is that we contribute to it."*

Business Units: What's Next

The initial costs and initiatives for Reutilization have been identified. The new business unit is "up and running."

Our expected costs and our goal for FY 99:



**Reut FY99
program projected
costs: \$59M**

**Our performance
goal: RTD 19% of
total receipts**

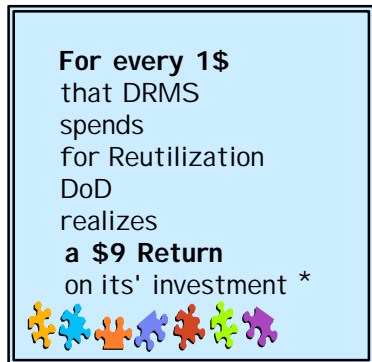
"Reut's" Best-Kept Secret

As the new unit was set up, business cases written and performance stats studied, some surprising facts emerged.

We know that Service Level Billing (SLB), (what DRMS charges the military services) provides the revenue that supports R/T/D's Business Unit.

When the numbers are examined, however, for how much money the military services get to **keep in their pocket** when they use DRMS Reutilization, there are some surprises.

Looked at from this angle, **total value added** to DoD by DRMS Reutilization breaks out to a pretty startling conclusion:



That's a return not always visible, but one that any company anywhere would be thrilled to claim.

Realizing that not every RTD transaction is a **direct offset of new procurement costs, (for example, reut of nice-to-have items, quality-of-life types of issues, training targets, etc.), the DRMS-TSR team developed a formula to measure **total value added** by each type of RTD transaction. This better captures the **full value** of what RTD brings to the DoD family.*

Where Do We Go From Here?

According to R/T/D team leaders, while we'll continue to R/T/D in this FY, it's critical that we reduce the costs of operating our program.

Program managers will be concentrating in three initiatives:

- pursuing increased use of automation and expanding initiatives in this area
- restructuring the program to better fit the requirements of our new business unit
- implementing *Fee for Service* to recover transfer and

donation costs and increase revenues

More true than ever before, each employee now has a direct and powerful impact on our common Reut future.

What can we do to protect our personal investment in the program?

- actively look for ways to cut the costs of our part of the business
- be knowledgeable about the R/T/D Program
- learn as much as we can about ABC costing, and use it faithfully
- *be obsessive about accurately reporting our time and work activities*
- ask questions and seek information if confusion or problems arise
- be aware that what we do every day and *how* we do it is like voting with our paycheck towards the success (or failure) of DRMS Reutilization

Questions? Need more Information?

Contact:

- **Sherry Low**
DSN 932-7248
slow@drms.dla.mil
- **Candida Trevino-Naas**
DSN 932-7306
s9d3323@drms.dla.mil



The Reut Shop at
DRMS would like to
officially
welcome Mr.
Dan Durrett to
the Reutilization staff
in Battle Creek.

Dan, a Property Disposal Specialist, recently returned to DRMS from a tour of duty with DRMS-I (Wiesbaden).

Dan will be handling R/T/D Analysis and Transportation, so do call on him for assistance/information in these areas.

Give him a call at: DSN 932-5970 or email: s9d3880@drms.dla.mil



R/T/D World Update

Just a short note on what's been going on in some areas of R/T/D:

Food Recovery: In addition to a record-breaking year in R/T/D, DRMS also made over \$3M in excess food available to GSA for distribution to 94 eligible federal and donation customers.

Nine DRMOs provided procedural guidance and support to help move the food in an expeditious manner.

The program, a 1996 initiative by President Clinton, redirects wholesome food and grocery products to the needy; assuring that useable food that otherwise might go to waste is given to those in need.

Kudos to the DRMOs that worked on this initiative.

FY 98 Disaster Relief: In '98 DRMS also came to the assistance of 23 states, providing property and

support in 6 separate disasters: 4 involving flood victims and 2 in response to Hurricane Mitch's devastation.

Precise statistics are hard to come by considering how widespread and complex the relief efforts are and the number of programs and agencies spread across many states.

DRMOs who worked this effort can be proud of their support of those who were caught in dire need.

Parachute Project: In case you haven't heard, there's been a change in the point of contact for this project.



The parachute project provides excess parachutes to the AFMC at Wright-Patterson AFB for use in a Joint Special Project there.

DRMS-TSR (Marilyn Keagle) has long been primary contact to offer these to Wright-Patt.

As of 16 Nov, however, DRMOs should **go directly** to Wright-Patt to offer parachutes. POC for offering property or for questions is now:

Christine L. Hemmelgarn
Chief, Special Activities Team
DSN 787-1012 or:

Hemmelc@wpgate1.wpafb.af.mil

Parachutes Requirements:

- they must be turned in intact
- suspension lines must be attached
- **NSNs required:**

1670-00-598-0751 (T10-B)

1670-01-262-2359 (MC1-1C)

1670-00-883-8674 (28' Multi-Color)

1670-00-216-7297



A Reut Salute!

DRMS is fortunate to have so many employees who excel in customer service.

Hats off to the following for raising customer service to a fine art (& these are only the ones we've heard about!).

- Linda Butner, **DRMO Sparta**, for her excellent courtesy, patience, humor and "genuine concern."
(Office of Sheriff/Mauston, WI)
- DRMO Chief Baltazar Morfin and Environmental Chief, Gary Roberts, **DRMO Alpha**, for their quick thinking and determination to serve our "first mission responsibility." Unable to accept 8 vehicles, unserviceable, condition H, which the Army Materiel Command attempted to turn in, they negotiated an arrangement with AMC and Task Force 11 in Bosnia, that brought a RTD issue of \$467,000 and also satisfied Bosnia's requirement for target practice/training.
(Gary Roberts, DRMO-Alpha, Hungary)
- Shirley Thayer, **DRMO Polk**, for sharp thinking and strong negotiation and coordination skills. She found a home for a 114K-lb tank which appeared unexpectedly at Polk with only a GBL, no DD 1348-1a and was Demil D. DRMO Polk

doesn't perform Demil and is unable to take anything over 14K-lbs. Shirley persuaded the base to accept the tank as target practice, brokered transportation agreements between the truck driver and TACOM, and prepared all the paperwork to "make it so."
(DRMS-TSP/Gloria Allred)

- The DRMO staff at **DRMO Whiteman** for excellent coordination efforts with the turn-in activity, the DRMO and the receiver of 6 Cobra (helicopters). By using phone and fax, the DRMO provided Ft. Wood with "real" targets for their planes (avoiding heavy transportation and Demil costs) and a total "reut" gain of over \$36M was realized by the DRMO.
(Richard McGlothlin, in a DI SUM submitted from DRMO Whiteman)
- **DRMO Hawaii**, who handled the paperwork and provided support for a multi-agency effort that brought 40 tons (\$156,000) of federal surplus food to Hawaii just before Thanksgiving last year. Part of homeless initiatives in that state, the 188 pallets of food provided meals to the homeless and needy through 15 community organizations and the foodbanks there.

The next time **Your DRMO** has a great Reut transaction or unusual one to talk about, let us know. We'll add it to the next issue.

What's New for our Customer ...



The push to "think outside the box" encourages us to take a look at our business with a fresh eye to best see ways to cut costs, improve our processes and to proactively meet, or exceed customer needs.

The Reut team in the RTD Business Unit has been doing just that and has identified several initiatives that promise to be very "customer-friendly."

The latest of these, **Scheduled Interrogations** (often referred to as a "wish list"), promises faster, easier, more efficient processing of property searches.

The newest innovation is basically two databases "bumping up against each other" to extract and match data.

In one, a list and description of what it is the customer needs and is looking for.

In the other, the DRMS inventory of property available at that particular moment in time.

Scheduled Interrogations is an interactive database that searches for a match between customer need and DRMS inventory. Once such a match is made, DRMS sends a notice **directly to the customer** letting them know that their property is available.

The team believes that scheduled interrogations will *meet or exceed* all customer expectations.

Within the next month you'll be getting specific guidance from

DRMS-TSR on how to use this new procedure from the DRMS web page. Keep a sharp eye out for it.

Something to Look Forward To

It's only an unsubstantiated rumor at this point, of course, but word has it that **Spring** really will come again, and in the not-too-distant future.

Besides looking forward to the end of a really tough winter, another happy event coming with balmy weather is the *Second Annual R/T/D Workshop*.

It's not too soon to begin planning for this event.



We'll be taking a close look at all aspects of the R/T/D Program and once again, we're considering a hands-on MILSTRIP work session, among other plans.

As was the case last year, DRMS-TSR will fund the attendance of **one Reutilization Specialist from each Zone**.

This should be a "Reut" person who is actually "on the front lines" working the program with the customer.

All other reut personnel are highly encouraged to attend and participate, but travel funding is from the DRMO budget.

For questions on workshop arrangements, funding, etc., contact:

Reutilization Chief Sherry Low
DSN 932-7248

slow@drms.dla.mil

Be thinking of topics you'd like to see discussed and forward them to:

DRMS-TSR (Mary Smith)
DSN 932-7552

rtd@drms.dla.mil

Something More to Consider ...



A closely related topic, R/T/D Analysis, ties in nicely with the workshop.

See the following message from our newest Reut staffer, Dan Durrett:

Planning for Success

During the past several months DRMS-TSR has analyzed the R/T/D Programs of each DRMO for the past three years.

We looked at FSGs and FSCs received and RTD'd, the number and frequency of DoDAACs served, and acquisition value and transactions both of total receipts and R/T/D.

At the upcoming workshop we will discuss your R/T/D Program in depth. Then we will partner with each participant to establish and expand a program designed to increase penetration of both your R/T/D market and your DRMO's inventory.

We think you'll be surprised at how much potential exists to truly make R/T/D *the disposal method of choice*.

In preparation for this focused examination of your program, try to find answers to the following:

- *How many potential customers (DoDAACs and FedStrips) are "out there"?*
- *What percentage of DoDAACs participate in the Reutilization Program?*
- *What impact has the Internet had on the number of R/T/D transactions we process?*

- *If your FY99 paycheck depended **solely** on how well you sold and serviced your R/T/D customers, what questions would you want to ask the Chief of the DRMS R/T/D Business Unit?*

Says Dan, "the person who brings in the best answers wins a black official U.S. Government retractable pen, complete with fresh refill.

The person(s) who leaves the conference with the best answers will play an important role in the success of DRMS in Fy 99 and beyond!"

Questions? Call Dan at: DSN 932-5970; email: ddurrett@drms.dla.mil.

How's Your Driving?



Reminder: In the new organization, its **vital** that your charge your time to the exactly right

work activity to "drive that cost" precisely where it needs to be.

This ensures that all the information being collected for making decisions about our future are accurate and rightfully give credit where credit is due.



You're Why We're Here. Take advantage of the assistance and expertise available through your Reut Support team at DRMS.

Have a question, problem, confusion?

- **Call: 1-888-352-9333**
- **Punch in x7552**
- **We'll do the rest**



HQ DRMS REUTILIZATION POINTS OF CONTACT

SHERRY LOW	HQ DRMS Reutilization Supervisor Call for guidance on any RTD question or issue	DSN 932-7248 slow@drms.dla.mil
ELIZABETH NEEB	RTD Secretary & all around "right-hand woman"	DSN 932-5241 hm90238@mail.drms.dla.mil
RICK ALBAUGH	Resident Reut Stats Man; call for RTD numbers, Goals & Statistics	DSN 932-5842 ralbaugh@drms.dla.mil
DAN DURRETT	RTD Analysis, Transportation, & Business Unit issues	DSN 932-5970 s9d3880@drms.dla.mil
SUE FARLEY	Generalized RTD issues; help with puzzling Reut questions or issues	DSN 932-5951 sfarley@drms.dla.mil
CAROL FIX	Generalized RTD issues, RTD policy & procedures, Food Recovery & Disaster Relief, & help in moving large amounts of Hazardous Material (<i>not</i> waste) for Reutilization credit.	DSN 932-5945 cfix@drms.dla.mil
DAVID FOX	Program Manager for the Foreign Military Sales (FMS) Program (Grant Aid cases only)	DSN 932-5927 dfox@drms.dla.mil
MARILYN KEAGLE	Assistance/support with MILSTRIP transactions & Reutilization web searches	DSN 932-5939 mkeagle@drms.dla.mil
MARY SMITH	Generalized RTD info/assistance; for RTD Promotion & anything having to do with the <i>DRMS Reutilization Advisory</i> or <i>DRMS Insight</i> ; call w/Reut stories, ideas, etc.	DSN 932-7552 rtd@drms.dla.mil
CANDIDA TREVINO-NAAS	Support on issues relating to the new Reutilization Business Unit, DRMS Reutilization Restructuring, & Automation enhancements	DSN 932-7306 s9d3323@drms.dla.mil
GREG WEISHUHN	RTD Specialized Programs, such as Humanitarian Assistance (HAP), Law Enforcement Support Office (LESO), Cambria Regional Equipment Center (CREC), & Expedited Processing Requests	DSN 932-7230 gweishuhn@drms.dla.mil

☞ Or: Call 1-888-352-9333, and punch in the extension from the above list